

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)	
IDAHO POWER COMPANY FOR APPROVAL)	CASE NO. IPC-E-05-12
OF A FIRM ENERGY SALES AGREEMENT)	
FOR THE SALE AND PURCHASE OF)	
ELECTRIC ENERGY BETWEEN IDAHO)	ORDER NO. 29767
POWER COMPANY AND PRISTINE SPRINGS,)	
INC. FOR PRISTINE SPRINGS #3)	

On March 4, 2005, Idaho Power Company filed an Application requesting approval of a Firm Energy Sales Agreement (Agreement) between Idaho Power and Pristine Springs, Inc. dated February 18, 2005. Under the Agreement, Pristine Springs will sell and Idaho Power will purchase electric energy generated by the Pristine Springs hydroelectric generation facility #3 located on Warm Creek, north of Twin Falls, Idaho in an area more particularly described as the NW ¼ of Section 19, Township 9 South, Range 17 East, Boise Meridian, Jerome County, Idaho. The Pristine Springs facility #3 consists of a single hydroelectric generation unit. The nameplate rating and maximum generation capability of the Pristine Springs facility #3 is 200 kW.

THE AGREEMENT

Pristine Springs facility #3 is a qualified small power production facility (QF) under the applicable provisions of the Public Utility Regulatory Policies Act of 1978 (PURPA). The Agreement was developed pursuant to Commission Order Nos. 29632 (*U.S. Geothermal v. Idaho Power*) and 29646 (setting 2004 avoided cost rates) and will replace the previously approved Schedule 86, Uniform Agreement for the sale of non-firm energy dated March 23, 2003. *See* Order No. 29234. In the proposed Agreement, the parties agree to a ten-year contract term and to use the non-levelized, published avoided cost rates as currently established by the Commission for energy deliveries of no more than 10 aMW.

Because the Pristine Springs facility #3 is currently interconnected and selling energy to Idaho Power under an existing Schedule 86, non-firm agreement, interconnection to the Company's distribution system is completed. The previously established interconnection costs set out in Schedule 86 will be used to value the interconnection costs under the proposed Agreement. The applicable monthly Schedule 72 charges will apply.

Within the proposed Agreement, various requirements have been placed upon Pristine Springs in order for Idaho Power to accept energy deliveries from the Pristine Springs facility #3. Idaho Power will monitor compliance with these initial requirements and, once the requirements have been met, the existing Schedule 86 agreement will be terminated.

As reflected in Article 24 of the Agreement, the Agreement will not become effective until the Commission has approved all the Agreement's terms and conditions and declares that all payments that Idaho Power makes to Pristine Springs for purchases of energy will be allowed as prudently incurred expenses for ratemaking purposes. The proposed effective date of the Agreement is February 18, 2005.

COMMISSION FINDINGS

The Commission has reviewed Idaho Power's Application and the comments filed in this case. The Commission finds that the Agreement comports with the Commission's Order No. 29632 and includes the current, non-levelized published rates approved by the Commission in Order No. 29646.

The Commission finds that the rates and other provisions in the Agreement are reasonable and just. The Commission further finds that it is reasonable to allow payments made under the Agreement as prudently incurred expenses for ratemaking purposes.

CONCLUSIONS OF LAW

The Commission has jurisdiction over Idaho Power Company, an electric utility, pursuant to Title 61 of the Idaho Code and the Public Utilities Regulatory Policies Act of 1978 (PURPA).

The Commission has authority under PURPA and the implementing regulations promulgated by the Federal Energy Regulatory Commission (FERC) to set avoided costs, to order electric utilities to enter into fixed term obligations for the purchase of energy from qualified facilities, and to implement FERC regulations.

ORDER

IT IS HEREBY ORDERED that the Application of Idaho Power for approval of the Firm Energy Sales Agreement between Idaho Power and Pristine Springs, Inc. for Pristine Springs facility #3 is approved.

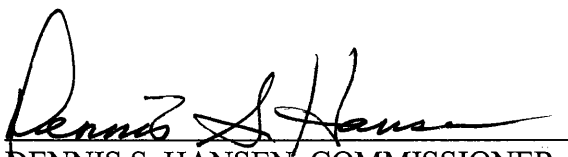
THIS IS A FINAL ORDER. Any person interested in the Order may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any

matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See Idaho Code §§ 61-626 and 62-619.

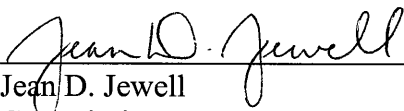
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 25th day of April 2005.


PAUL KJELLANDER, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


DENNIS S. HANSEN, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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